

ORDINANCE NO. 46-204

AN ORDINANCE EXEMPTING PROPERTY FROM AD VALOREM TAXATION FOR ECONOMIC DEVELOPMENT PURPOSES PURSUANT TO ARTICLE 11, SECTION 13, OF THE KANSAS CONSTITUTION; PROVIDING THE TERMS AND CONDITIONS FOR AD VALOREM TAX EXEMPTION; AND DESCRIBING THE PROPERTY OF GLOBAL ENGINEERING & TECHNOLOGY, INC., SO EXEMPTED.

WHEREAS, Article 11, Section 13, of the Kansas Constitution provides that the governing body of the City may, by Ordinance, exempt from all ad valorem taxation all or any portion of the appraised value of certain property meeting the requirements of the constitutional provision; and

WHEREAS, the City of Wichita has adopted an Economic Development Tax Exemption Policy by which the City will consider granting tax exemptions upon a clear and factual showing of direct economic benefit including the creation of additional jobs or the upgrading of existing jobs and the stimulation of additional private investment; and

WHEREAS, Global Engineering & Technology, Inc. requests an ad valorem tax exemption on a proposed expansion project of 100% for five years on acquisition and renovation of a 31,500 s.f. vacant facility, plus a second five-year term; and

WHEREAS, Global Engineering & Technology, Inc. has operated within the City for more than twelve years as a manufacturer of aircraft furnishings; and

WHEREAS, Global Engineering & Technology, Inc. proposes a \$596,000 expansion by the acquisition and renovation of a 31,500 s.f. vacant facility to be located at 4848 Irving in southwest Wichita; and

WHEREAS, the City Council of the City of Wichita has reviewed the application and supporting documentation supplied by Global Engineering & Technology, Inc., has reviewed the impact statements provided by Staff, and the Cost-Benefit Analysis by Wichita State University and has conducted a public hearing on such application on July 13, 2004; and

WHEREAS, the City Council of the City of Wichita has found and determined:

1. Global Engineering & Technology, Inc. is an existing business located in Wichita, Kansas and has expanded its business by the acquisition and renovation of a 31,500 s.f. vacant facility.

2. The acquisition and renovation of a vacant facility for which exemption is given occurred after May 11, 2004. No exemption will be given for construction or purchases which occurred before that date.

3. Such property purchases are to be used exclusively for manufacturing articles of commerce.

4. By such purchases, Global Engineering & Technology, Inc. will create new employment for 50 employees within five years after the start of the project.

5. Tax exemption will be given only for the acquisition and renovation of a 31,500 s.f. vacant facility as reflected in Exhibit I attached hereto.

6. The property on which exemption is given will meet the requirements of the Kansas Constitution and the City of Wichita's Business Incentive Policy.

7. Such ad valorem tax exemption is in the public interest providing for economic growth and benefit including the creation of jobs and stimulating additional private investment.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WICHITA, KANSAS,

1. The City Council for the City of Wichita, Kansas hereby makes a factual determination that an ad valorem tax exemption of the type requested by Global Engineering & Technology, Inc. is required to retain jobs in the State of Kansas, and that the property to be exempted will be used exclusively for manufacturing articles of commerce.

2. Global Engineering & Technology, Inc. is hereby granted an ad valorem tax exemption of 100% for five years, plus a second five-year term (subject to City Council approval) on the building acquisition and renovation project started after May 11, 2004, and located within the Wichita City limits at 4848 Irving in southwest Wichita, at an estimated cost of \$596,000, as further detailed in Exhibit I attached hereto. Such exemption to begin in the calendar year after the calendar year in which the expansion is completed.

3. The Department of Finance shall be responsible for monitoring the performance of Global Engineering & Technology, Inc. and shall provide annual reports on such performance.

4. Such exemption is subject to verification that the level of employment at the time of the completion of the project is at least equal to the level of employment as stated in Global Engineering & Technology, Inc.'s written request for ad valorem tax exemptions as presented to the City Council and to administrative staff and dated May 11, 2004, and as stated in Global Engineering & Technology, Inc.'s annually approved EEO/AA Plan.

5. Such exemption may hereafter be withdrawn by the City Council upon a finding that Global Engineering & Technology, Inc. no longer is entitled to such exemption in accordance with the Wichita Business Incentive Policy and Application of the City of Wichita.

6. The City Council may, at its discretion, require Global Engineering & Technology, Inc. to return all funds exempted if there is a failure to meet the level of employment and EEO/AA goals as presented to the Council and as stated in Global Engineering & Technology, Inc.'s application and EEO/AA Plan.

7. Upon finding that Global Engineering & Technology, Inc. has moved or relocated its operations as described in the tax exemption request or application outside the Wichita City Limits the City Council shall require the repayment of all prior amounts of taxes that have been exempted and shall withhold any future exemption of taxes on Global Engineering & Technology, Inc.'s expansion project. All repayments shall be redistributed to the local taxing authorities at the proper taxing rates.

8. This Ordinance shall be in full force and effect from and after its passage and publication in the official City paper.

Passed by the governing body of the City of Wichita, Kansas this July 20, 2004.

Carlos Mayans, Mayor

ATTEST:

Karen Sublett, City Clerk

Approved as to Form:

Gary E. Rebenstorf, City Attorney

Global Engineering & Technology, Inc.

Exhibit I

Acquisition (and renovation) of Existing Facility:

31,500 s.f. vacant facility	\$515,000
AC – new/replacement	\$17,000

Remodel/Interior	\$20,000
Garage door	5,500
Ramp	5,000
Exit Doors	3,000
Stairs	500
Garage Door Opener	1,000
Plumbing Maint/Repair	1,000
Security System/Fence	8,000
Air Plumbing System/Hoses	<u>20,000</u>

Total Expansion Project	\$596,000
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